

Attachment A

Resolution No. 2026-18

RESOLUTION NO. 2026-18

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
NEWPORT BEACH, CALIFORNIA, AMENDING THE
SELECTION PROCESS AND VARIOUS
RESPONSIBILITIES OF THE FINANCE COMMITTEE**

WHEREAS, the City of Newport Beach ("City") is governed, in part, by its Charter, Municipal Code, and adopted City Council Policies;

WHEREAS, the City Council has a long and established history of being good guardians and stewards of the public's money;

WHEREAS, appropriations, expenditures, and other budgetary matters are a primary concern of the City Council;

WHEREAS, on December 12, 1994, the City Council adopted Resolution No. 94-110 establishing the Finance Committee, whose duties and responsibilities have been amended throughout the years to further protect and safeguard the public's money;

WHEREAS, the Finance Committee is charged with a variety of tasks including, but not limited to, reviewing and monitoring events and issues that may affect the financial status of the City and making recommendations to the City Council regarding amendments to financial policies;

WHEREAS, the existing Finance Committee is composed of three City Council Members, appointed by the Mayor subject to City Council approval, and four citizen members, appointed by Council Members not on the Finance Committee, subject to City Council approval;

WHEREAS, the City Council desires to preserve the Finance Committee's purpose and bolster its ability to provide qualified oversight of the City's fiscal processes, while increasing public visibility and transparency; and

WHEREAS, the City Council desires to amend the Finance Committee selection process and responsibilities, as described in this resolution.

NOW, THEREFORE, the City Council of the City of Newport Beach resolves as follows:

Section 1: The City Council hereby amends the Finance Committee selection process and responsibilities as described in Attachment "A," which is incorporated herein by reference.

Section 2: The City Council hereby repeals all prior resolutions, or parts thereof, related to the Finance Committee that conflict with this resolution.

Section 3: If any section, subsection, sentence, clause or phrase of this resolution is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity or constitutionality of the remaining portions of this resolution. The City Council hereby declares that it would have passed this resolution and each section, subsection, sentence, clause or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 4: The recitals provided in this resolution are true and correct and are incorporated into the substantive portion of this resolution.

Section 5: The City Council finds the adoption of this resolution and the amendment of the Finance Committee is not subject to the California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Division 6, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

Section 6: This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

ADOPTED this 10th day of March, 2026.

Lauren Kleiman
Mayor

ATTEST:

Lena Shumway
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE



Aaron C. Harp
City Attorney

Attachment A: Amended Finance Committee Description

ATTACHMENT “A”

FINANCE COMMITTEE

AUTHORIZATION:

Established by Resolution No. 94-110 adopted on December 12, 1994. Modified by Resolution No. 96-100 adopted on December 9, 1996. Disbanded by Resolution No. 98-32 adopted on May 11, 1998. Re-established by Resolution No. 2000-103 adopted on December 12, 2000. Duties and membership amended by Resolution No. 2007-21 adopted on April 10, 2007. Purpose and responsibilities amended by Resolution No. 2013-32 adopted on April 9, 2013. Membership, qualifications and term of members, and purpose and responsibilities amended by Resolution No. 2015-5 adopted on January 13, 2015. Administrative practices amended by Resolution No. 2015-40 adopted on May 26, 2015. Term of citizen appointees amended by Resolution No. 2017-58 adopted on September 12, 2017. Various other changes amended by Resolution No. 2018-70 adopted on September 25, 2018. Term of membership amended by Resolution 2024-91 on December 10, 2024. Selection process and responsibilities amended by Resolution 2026-__ on March 10, 2026.

MEMBERSHIP:

Five (5) members total, comprised of the following:

Three (3) members of the Newport Beach City Council appointed by the Mayor.

Two (2) citizen members appointed by the Mayor and confirmed by the full City Council (“Citizen Appointees”). At the Mayor’s discretion, the Mayor may establish an Ad Hoc Committee to provide advice; however, whether such a committee is formed, the Mayor shall make the appointments subject to confirmation by the City Council.

Citizen Appointees have equal voting status. The Mayor shall appoint the chairperson and vice-chairperson, subject to confirmation by the full City Council.

Staff support will be provided primarily by the City Manager and the Administrative Services Director.

Meetings shall be held as required by the business needs of the Finance Committee in the City Council Chambers, or

such other locations as allowed by the Ralph M. Brown Act, on weeknights or weekdays (M-Th) at a time that is convenient for the Finance Committee and the public to encourage public participation.

TERM OF COUNCIL MEMBERS:

Council Members shall be appointed annually by the Mayor.

TERM OF CITIZEN APPOINTEES:

- A. Transition. All previously appointed Citizen Appointees of the Committee shall continue to serve until June 30, 2026, at which time their terms shall end. New Citizen Appointees shall be selected in accordance with Council Policy A-2, as modified herein, and shall begin their terms on July 1, 2026.
- B. New Citizen Appointee Term of Office. Citizen Appointees shall serve a two-year term, or until their successor is appointed and qualified, unless the City Council takes action to replace a Citizen Appointee. Citizen Appointees may serve a second two-year term if reappointed by the City Council.

QUALIFICATIONS OF CITIZEN APPOINTEES:

- A. Must be a resident of the City of Newport Beach.
- B. Must be a registered voter in the City of Newport Beach.
- C. Each Citizen Appointee shall possess demonstrated education, professional certification, or significant professional experience in finance, accounting, economics, business administration, public administration, investment management, or a closely related field.

Qualifying experience may include service in financial management, business, legal, consulting, or executive leadership role involving financial oversight, budgeting, investments, fiscal policy, or similar responsibilities.

The Mayor shall determine whether an applicant meets the qualification requirements prior to appointment.

PURPOSE:

The Finance Committee shall serve in an advisory capacity to the City Council and City Manager on matters related to the City's operating budget, long-range financial planning, fiscal sustainability, investment performance, pension and other post-employment benefit liabilities, capital financing, and internal financial oversight.

RESPONSIBILITIES:

- A. Review and monitor the City's financial condition and economic outlook, including factors that may materially affect revenues, expenditures, reserves, and long-term fiscal sustainability.
- B. In accordance with Sections 504 and 1101 of the City Charter, review the City Manager's proposed operating budget and give recommendations to the City Manager. Any changes the Committee recommends to the City Manager's Budget shall be provided in writing to the City Council along with the budget presented by the City Manager.
- C. Review the final City Manager's operating budget and make recommendations for City Council consideration.
- D. Review the City's Long-Range Financial Forecast and provide recommendations to promote long-term fiscal sustainability.
- E. Review major long-term capital and infrastructure financing plans, including but not limited to the Facilities Financing Plan and Harbor and Beaches Master Plan, to assess alignment with the City's budget and financial capacity.
- F. Review the City's long-term pension and other post-employment benefit obligations, including the CalPERS Pension Liability reports and the OPEB Actuarial Valuation Report, and provide recommendations regarding funding strategies and policies.
- G. Review the City's Internal Audit Program and receive reports regarding significant audit findings, internal control matters, and management responses.
- H. When requested by the City Council, make

recommendations to the City Council regarding any other matter affecting the financial health and fiscal sustainability of the City.

AMENDED 3.9.26